

Building a production compliance model

Start by creating a step-by-step process in your pre-production area

Over the next several months, I will detail the process of building a production compliance model for collision repair facilities. I will focus on the steps necessary to identify who, what, where, when and how things need to be accomplished within the repair facility to maximize customer service and production efficiency. There is a process that, if followed, improves performance across the board. It builds accountability through clearly defining expectations and performance requirements.

We tend to spend a lot of time contemplating what to do next to improve our businesses without looking at what is happening now. What can we do to make things move more efficiently or how can we improve productivity, capitalizing on every potential business possibility we encounter daily? Have we identified every opportunity on every job that we have within the store? Have our people completed everything that they have the potential of completing; has every task been completed properly? As we look at our daily activities around the store, we leave about 30 percent of our time, effort and potential on the table. If you think about that further, using a 10-car-per-week store, that could be an additional three closed ROs per week. You can do the math beyond that, but three cars would be a nice addition to the billed labor hours and overall profitability for most stores.

Drilling down a bit further into this efficiency thought process, what if you were able to improve your estimating skills by 30 percent? For an average RO of 19 hours, that would be an improvement of 5.7 hours. There are so many opportunities in electronics, vehicle construction, fasteners, even pricing your materials properly. Are we really looking at all aspects of the repair process to make sure that each opportunity is identified and then documented so that we can get paid for it?

Let's look at another area where improvement can be incrementally advanced with additional focus: tech production. How efficiently are your technicians operating? Do you measure? Do you know the formula? What are the areas in



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which you might be able to examine, measure and change processes that would help them to be more productive? What should the target for productivity be? How do you identify what each technician should be producing? Do you share your business and production expectations with them? Do you tell them what their productivity means to the business?

Organizing the entire repair facility is extremely important in making sure that everything that can be done to improve customer service, efficiency, pricing and productivity has been done. This starts with properly identifying all the tasks that need to be completed and who is accountable for their completion. The shop should be broken into segments to make the analysis and the task identification easier to compile into lists. As this series progresses, each of these will be explained in detail. A sample of a particular area will be provided to illustrate how the activities should be followed and how the resulting documents should flow.

The pre-production area is the first area that will be reviewed for this process. This is an area that has conflict "built in" for which resolution has to be quick and well documented so that clear decisions are clearly justifiable. To better define what this means, the estimating or blueprinting processes are typically where "friction" points will exist because of third-party payers. It can be caused by pricing, skill and knowledge gaps, and for a variety of reasons, resolution has to occur. Let's assume that all the typical claim information, documentation and contact steps have been made, and the vehicle is at the store with a pay assignment or a clear contract of repair with the customer.

What steps are required to take place to get the vehicle into production? Keep reading next month and I'll lay the steps out in detail. 

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